

**STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
SECURITIES DIVISION**

IN THE MATTER OF DETERMINING
Whether there has been a violation
Of the Business Opportunity Fraud Act by:

Combined Resource Systems, Inc., Barry Wise,
its owners, principals, officers, agents and
employees,

Respondents.

S-02-262-02-CO01

CONSENT ORDER AND ORDER VACATING
S-02-262-02-FO01

Case No. 02-262

INTRODUCTION

1. On December 30, 2002 the Securities Division issued Final Order to Cease and Desist number S-02-262-02-FO01 against Combined Resource Systems, Inc. and Barry Wise. In settlement of the above captioned matter, the Securities Division, Department of Financial Institutions, and Respondents, Combined Resource Systems, Inc. and Barry Wise do hereby agree to this Consent Order, pursuant to the Business Opportunity Fraud Act of Washington. Respondents neither admit nor deny the Findings of Fact or Conclusions of Law as set forth below.

FINDINGS OF FACT

I. Respondents

1. Combined Resource Systems, Inc. ("CRS") is a Nevada Corporation with its principal place of business at 2920 North Green Valley Parkway, Henderson, Nevada 89014. CRS offers a business opportunity involving the cultivation of worms.

2. Barry Wise ("Wise") is a Nevada resident and the President of CRS.

II. Nature of the Business Opportunity

1. CRS maintains a website on the World Wide Web located at www.crsnv.com. The website is available to residents of the state of Washington. The website describes a business opportunity in which purchasers would engage in breeding worms.

2. On May 29, 2002 a Washington resident requested information on the business opportunity via email. A sales representative responded the same day by sending an electronic version of the marketing material. These materials included information regarding the "Worm Breeding Packages".

The material stated in part:

\$10,000 Package

100,000 worms (bed-run)

Shipped to you anywhere in the U.S.

3-year worm purchase agreement @ \$6 lb.

Buy-back of up to 2,000 lbs. per month.

CRS worm breeding instructions.

One year money back guarantee!

3. The informational material sent to the Washington resident did not include complete material information relating to the business opportunity, including but not limited to, a business opportunity disclosure document. The materials also failed to include a financial statement for CRS and a notice that purchasers have a statutory right to rescind the purchase within seven (7) days of signing a

1 contract. Further, CRS failed to notify the Washington resident that the Pennsylvania Securities
2 Commission had issued a Summary Order to Cease and Desist on July 25, 2000, which ordered CRS to
3 immediately cease from offering and selling an unregistered business opportunity in the state of
4 Pennsylvania.

5 III. Registration Status

6 Combined Resource Systems, Inc. is not currently registered to sell its business opportunities in
7 the state of Washington and has not previously been so registered.

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10 Based upon the above Findings of Fact, the following Conclusions of Law are made:

11 **CONCLUSIONS OF LAW**

12 I. Business Opportunity

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14 The offer and/or sale of the business opportunity offered by CRS described above constitutes the
15 offer and/or sale of a business opportunity as defined in RCW 19.110.020(1).
16

17 II. Registration of the Business Opportunity

18 The offer and/or sale of said business opportunity is in violation of RCW 19.110.050 because no
19 registration or notification of claim of exemption for such offer and/or sale is on file with the
20 Administrator of Securities, state of Washington.

21 III. Disclosure/Fraud

22 The offer and/or sale of said business opportunity was made in violation of RCW 19.110.120
23 because Respondents Combined Resource Systems, Inc., Barry Wise, its agents and employees, failed
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1 to provide material information concerning Combined Resource Systems, Inc., the business
2 opportunity and the Summary Order to Cease and Desist issued by Pennsylvania on July 25, 2000.

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5 **CONSENT ORDER**
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7 Based upon the foregoing:

8 IT IS THEREFORE AGREED AND ORDERED that Combined Resource Systems, Inc., Barry
9 Wise, and their agents and employees, each shall cease and desist from the offer and sale of unregistered
10 business opportunities in the State of Washington in violation of RCW 19.110.050.

11 IT IS FURTHER AGREED AND ORDERED that Combined Resource Systems, Inc., Barry Wise,
12 and their agents and employees, each shall cease and desist from the fraudulent offer and sale of any
13 business opportunity in the State of Washington in violation of RCW 19.110.070 and RCW 19.110.120.

14 IT IS FURTHER AGREED AND ORDERED that Combined Resource Systems, Inc., Barry Wise,
15 and their agents and employees shall disclose the existence and contents of this Order in any business
16 opportunity registration disclosure document approved for use in the State of Washington, such requirement
17 commencing from the date of entry of this Order.
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19 IT IS FURTHER AGREED AND ORDERED that Combined Resource Systems, Inc. and Barry
20 Wise shall be jointly and severally liable for and shall pay the Securities Division one thousand dollars
21 (\$1,000) for its costs incurred in its investigation of this matter. Said payment must be made to the
22 Division prior to the entry of this Order.

23 IT IS FURTHER AGREED that the Securities Division has jurisdiction to enter this Order.
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1 IT IS THEREFORE AGREED AND ORDERED that this Order shall remain in force and effect for a
2 period of three years from the date of entry of this Order.

3 IT IS FURTHER AGREED AND ORDERED that Final Order to Cease and Desist number S-02-262-
4 02-FO01 is hereby vacated.

5 In consideration of the foregoing, Combined Resource Systems, Inc. and Barry Wise, each waive
6 their right to a hearing in this matter and to judicial review of this Order.

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8 **WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.**
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10 SIGNED this _____ day of _____, 2003.

11 Signed by:

12 Combined Resource Systems, Inc.
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14
15 By _____
16 Barry Wise, President

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18 _____
19 Barry Wise, individually
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8 **THIS ORDER ENTERED THIS 4th DAY OF March 2003 BY:**

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12 DEBORAH R. BORTNER
13 Securities Administrator
14

15 Approved by:

Presented by:

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18 _____
19 Michael E. Stevenson
20 Chief of Enforcement
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22 _____
23 Susan H. Anderson
24 Financial Legal Examiner
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